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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
DAIRY BRANCH

INSERTS

for

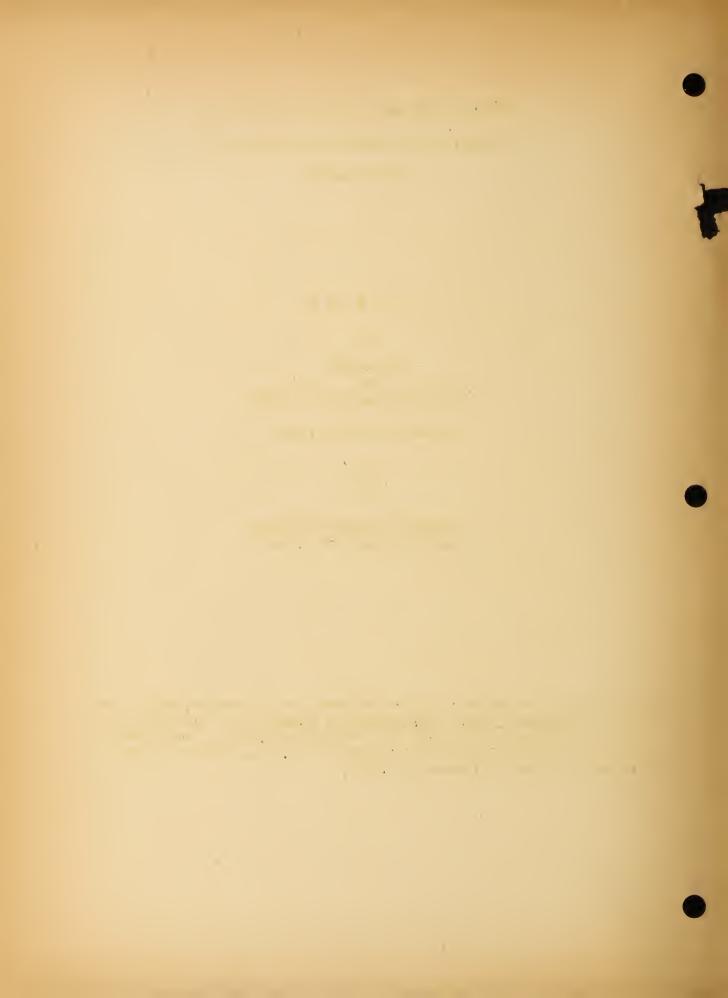
SUMMARIES
of
FLUID MILK MARKETING ORDERS

Revised to April 1, 1949

and

Federal Register Citations for the Milk Price Orders

The attached are inserts to be substituted for the corresponding pages in the <u>Summaries of Fluid Milk Marketing Orders</u>, April 1, 1948, and Federal Register Citations for the Milk Price Orders. These inserts revise the Federal orders as effective on April 1, 1949. The last insert was issued on February 1, 1949.



#### Boston, Massachusetts

#### Marketing Area:

Boston and 36 cities and towns in the metropolitan area.

## Handler:

Person who, in a given month, operates a pool plant or engages in the handling of milk or other fluid milk products which are received at plants from which fluid milk products are disposed of, directly or indirectly, in the marketing area. A plant is a pool plant under specified conditions relating to the proportion of dairy farmers delivering to the plant who hold certificates of health approval, the proportion of the handler's Class I milk which is disposed of in the marketing area, the holding of a license by the handler under Chapter 94, Section 40 of the Massachusetts General Laws. Conditions are also set forth by which a pool plant may lose such designation.

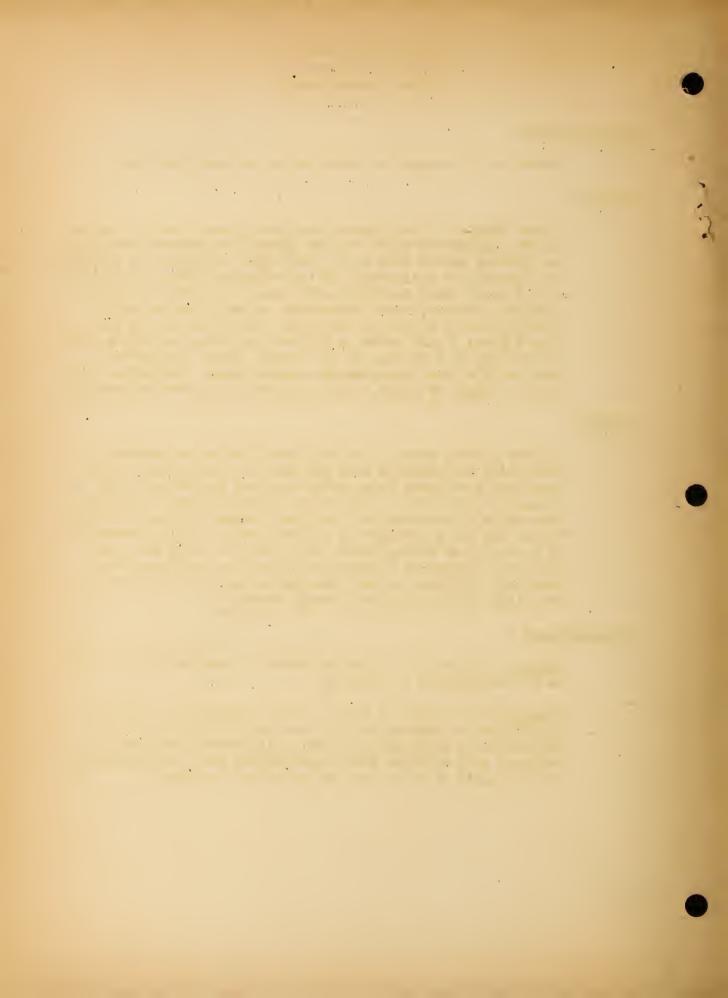
#### Producer:

A dairy farmer, except a "dairy farmer for other markets" whose milk is delivered from his farm to a pool plant. Under specified conditions this definition also includes a dairy farmer who ordinarily delivers to a handler's pool plant but whose milk is diverted to a handler's nonpool plant. A "dairy farmer for other markets" is a farmer whose milk is received at a pool plant during April, May, June, and July but whose milk was received at a nonpool plant of the handler or the handler's affiliate on more than three days in any of the preceding months of August through March.

# Classification:

Class I - All milk and milk products, the utilization of which is not established as Class II.

Class II - All milk and milk products established as sold, distributed or disposed of as other than milk, or as other than flavored milk, flavored skim milk, buttermilk, and cultured skim milk for human consumption; and plant shrinkage not in excess of 2 per cent of the volume handled.



(b) The price for any of the months of March through June shall not be higher, and the price for any of the months of September through December shall not be lower, than the price for the preceding month.

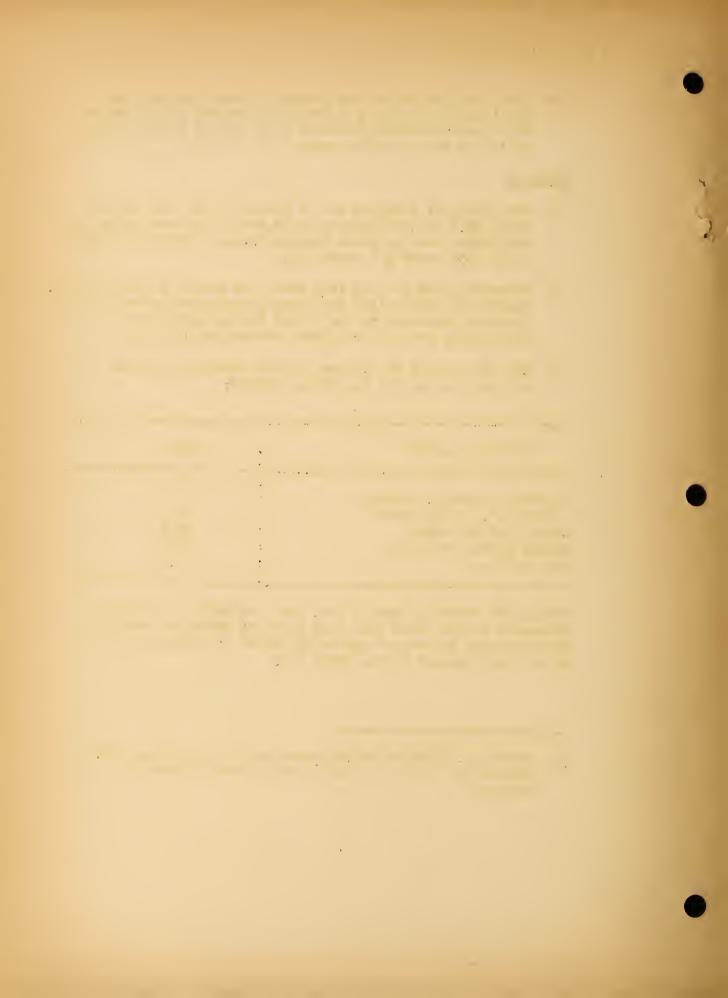
#### Class II

- (1) The price per 40-quart can of Boston 40 per cent cream minus 52.5 cents 1/divided by 33.48 (if no cream price is available, use 1.4 times Chicago 92-score butter and subtract 1.57 cents 1/) times 3.7.
- (2) Subtract one-half cent from price per pound, roller process, nonfat dry milk solids for human consumption in barrels, in carlots, published by the United States Department of Agriculture for New York City, and multiply by 7.5.
- (3) Add the results of (1) and (2) and subtract for each delivery period the following amounts:

| Delivery period   | : Cepts                      |
|---|------------------------------|
| January, February, October, November, and December August and September March, April, and July May and June | 57°5<br>63°5<br>69°5<br>75°5 |

During the months of April, May, June, and July, a special allowance is made such that each pound of butterfat used in making salted butter and cheese is priced at 92-score butter at New York minus 5 cents, times 1,2.

Based on freight rates for cream as of January 1, 1949. Subject to automatic adjustment if cream freight rate changes.



(3) Emergency milk received by a handler whose Class II milk is in excess of 10 per cent of his total volume (other than cream), is assigned to Class II to the extent of the excess over 10 per cent. If specific utilization in Class II is established for a greater quantity of emergency milk, the greater quantity is assigned to Class II.

Receipts of cream and milk products other than fluid milk are classified as Class II.

#### Outside Sales:

Milk, flavored milk, skim milk, cultured or flavored skim milk or buttermilk moved to an unregulated plant is classified as Class I up to the total quantity of milk which is utilized as Class I at the unregulated plant. If moved to a regulated plant of a nonpost handler or to an unregulated plant and then to another of these types of plants, it is classified as Class I. Outside sales of Class I milk are priced the same as sales of Class I milk in the marketing area.

#### Producer-handler:

A person who is both a handler and a dairy farmer and who receives milk of his own production only from farms located within 80 miles of Boston, and who receives no milk from other dairy farmers except producer-handlers. Such a handler may receive milk from other producer-handlers. Such handlers are required to furnish reports as to their receipts and utilization of fluid milk products.

## Expense of Administration:

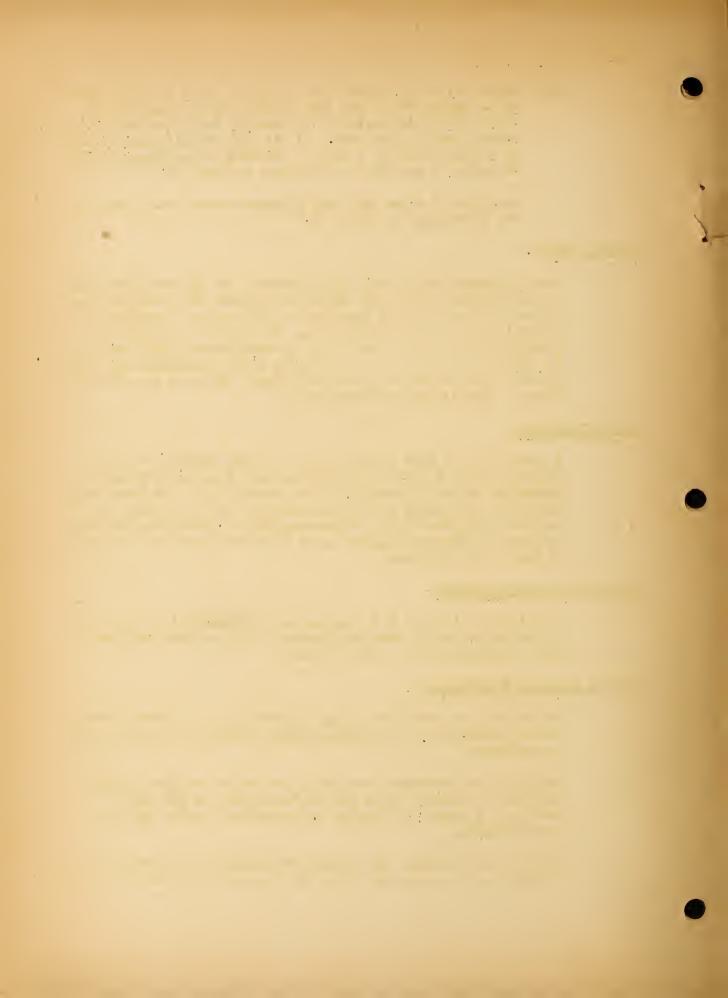
Handlers pay the pro rata expense of administration at a rate not in excess of 3 cents per hundredweight on milk received from producers and on outside milk.

#### Special Producer Provisions:

Deductions, as certified to by cooperatives, are turned over to associations. No marketing service charge is deducted for non-members.

Qualified cooperatives receive l¢ per hundredweight on milk of members delivered to a handler's plant. On all milk received at their own plants, cooperatives receive 2¢ per hundredweight.

Handlers are required to furnish statements to producers detailing each payment made for milk received from such producers.



#### New York, New York

## Marketing Area:

New York City and Counties of Westchester, Nassau, and Suffolk (except Fisher's Island).

#### Handler:

#### Person who:

- (1) Handles milk or milk products, which milk was received at a pool plant or at a plant approved by any health authority as a source of milk for the marketing area; or
- (2) Handles milk, cultured or flavored milk drinks, cream, or skim milk which is shipped to the marketing area.

#### Fool Plant:

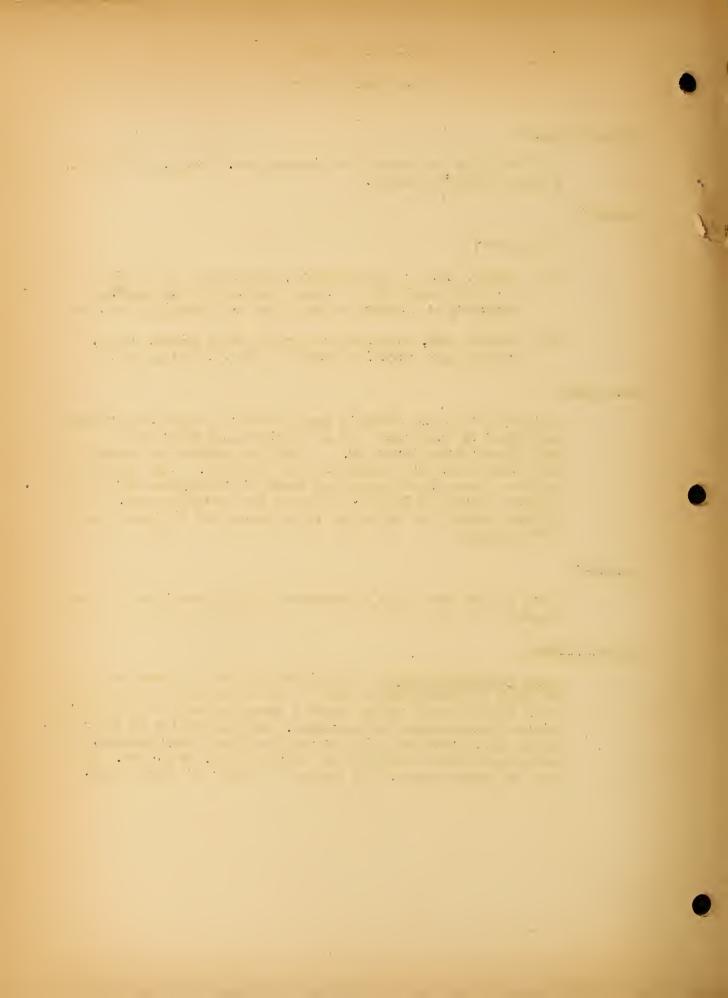
A pool plant is one which is found to meet certain requirements (specified by the order) and is specifically designated as a pool plant by the Secretary. A plant so designated remains a pool plant until the designation is cancelled. Any other plant is also a pool plant during any month if it supplies certain minimum amounts of Class I-A milk to the marketing area. These minimum amounts are specified in the order for different months of the year.

## Producer:

Dairy farmer whose milk is delivered direct from farm to a pool plant.

# Classification:

Basis of Classification - Classification is in accordance with the form in which milk is held at, or moved from (within the month following the month received from farmers), the plant at which classification is determined. Classification is determined at the plant where the milk is received from dairy farmers, unless such milk is shipped to another plant, or plants, in the form of milk or cream. If shipped in either of these forms,



classification is based on the form held at, or moved from, the plant to which it is shipped (without limit on the number of interplant movements which may take place in these forms prior to classification), subject to special conditions specified in the order.

Class I-A - Milk, fluid milk products, and cultured or flavored milk drinks containing 3.0 per cent to 5.0 per cent of butterfat (except those classified in I-B or I-C) and all milk the classification of which is not otherwise established.

Class I-B - All Class I-A products delivered to a plant or purchaser in an area regulated by another Federal order.

Class I-C - All Class I-A products which are delivered to a plant or purchaser in an area not under Federal regulation.

Class II - Cream, sweet or sour, fluid cream products, and cultured or flavored milk drinks containing less than 3.0 per cent or more than 5.0 per cent of butterfat sold in the marketing area, except products classified in another class.

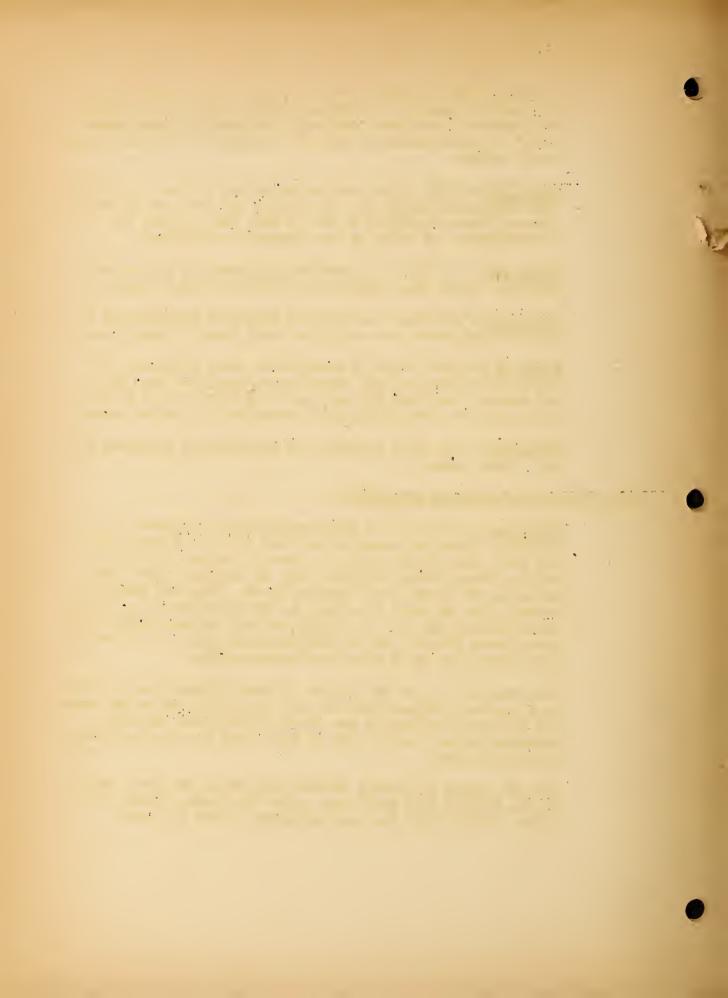
Class III - All other products not specifically mentioned in some other class.

## Class Prices (3.5 per cent butterfat):

Class I-A - Related to a butter-powder value computed as follows: Price per pound of New York 92-score butter, plus 1.8 times the average price per pound of nonfat dry milk solids (other brands, carlots, bags or barrels, human consumption and animal feed) minus 4 cents. When the butter-powder value is under 30 cents, the Class I-A price is \$1.72 for April through June and \$2.16 for July through March. For each 5-cent increase in the butter-powder value, the Class I-A price increases by 22 cents per hundredweight.

The price for any of the months of March through June of each year can be no higher than for the immediately preceding month, and the price for any of the months of September through December of each year can be no lower than for the immediately preceding month.

For the months of January through June 1949, the price shall be the 201-210 mile zone price under the Boston order, for Class I milk of 3.7 per cent butterfat, minus 19 cents.



Class I-B - Same as Class I-A price.

Class I-C - The uniform producer price plus 20 cents.

<u>Class II</u> - The sum of a butterfat component and a skim milk value.

The butterfat component is related to the price per pound of New York 92-score butter. When such price is less than 21.5 cents, the component price is \$1.35 per hundredweight for March through July, and \$1.50 per hundredweight for August through February. For each 3.5 cents increase in the butter price, the component increases by 15 cents.

The skim milk value is computed as follows:

(ii) Multiply by 7.5 the average price for hot roller process nonfat dry milk solids "other brands, human consumption, carlots, bags or barrels" published in the "Producers' Price Current" and subtract 48 cents.

Class III - A butterfat value (shown below) multiplied by 3.5, minus 80 cents, plus an amount obtained as follows: Multiply by 7.5 the monthly average of roller process nonfat dry milk solids "other brands, human consumption, carlots, bags or barrels," published in the "Producers' Price Current."

The butterfat value for the months of March through July is computed as follows:

- (1) Add 2 cents to the average of the highest prices reported daily for the month by the United States Department of Agriculture for 92-score butter at New York and multiply by 1.24.
- (2) The butterfat value for the months of August through
  February is computed as follows: Divide the Boston cream
  price per 40-quart can of 40 per cent cream by 33.48.
  (If this price is not reported, the butterfat value is
  computed in accordance with (1).) The butterfat value during
  August through February shall not be lower than the value
  computed pursuant to (1).

Butter-cheese adjustment - Milk made into butter or Cheddar, American Cheddar, Colby, washed curd, or part skimmed Cheddar cheese, and plant loss associated with such products is priced at 4 cents per pound of butterfat in such milk less than the Class III price.

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Fluid skim differential - Skim milk derived from Class II or Class III milk which enteres the marketing area in the form of milk, skim milk or cultured or flavored milk drinks containing less than 3.0 per cent or more than 5.0 per cent butterfat and unaccounted-for skim milk is subject to an additional charge equal to the difference between the Class II price and the Class I-A price divided by .9125.

#### Butterfat Differentials:

Classes I-A, I-B, and I-C - 4 cents.

Classes II and III - Subtract from the respective class price the skim milk value for Class II and divide the remainder by 35.

Producer Price - Average of class price differentials weighted by the pounds of butterfat in each class for the previous month.

#### Location Differentials:

Classes I-A, I-B, I-C and skim milk subject to the fluid skim differential - Specified amounts by 10-mile zones from a base zone of 201-210 miles. The differential for the 1-10 mile zone (including the marketing area) is plus 15 cents. The differential for the 491-500 mile zone is minus 14 cents.

Classes II and III - Specified amounts by 25 mile zones from a base of 201-225 miles. The differential for the 1-25 mile zone (including the marketing area) is plus 8 cents. The differential for the 476-500 mile zone is minus 11 cents.

Butter-cheese adjustment - For Class III milk subject to the butter-cheese adjustment which is received from producers at plants more distant from the marketing area than the 301-325 mile zone, the maximum zone differential allowed is 4 cents.

All Classes - Handlers pay an additional 5 cents on all milk received from producers at plants in the marketing area and at plants located at specified places or in specified counties outside the marketing area.

Producer Price - Differentials applicable to Class I-A plus additional differentials of 35 cents for milk delivered to plants in the marketing area and 25 cents for milk delivered to plants located at specified places or in specified counties.

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#### Method of Accounting for Milk:

The amount of milk in each class is computed by converting to milk equivalent at average tests of receipts, the butterfat used in the products of each class. Skim milk subject to the skim milk differential is computed on a volume basis.

An accounting procedure is set up by the market administrator in accordance with general principles specified in the order. Such procedure includes the manner of determining plant loss allowances not to exceed 5 per cent of the butterfat content in the final product, and conversion factors for use in the absence of specific weights or tests.

After notice and hearing ("meeting"), the market administrator may issue tentative regulations with respect to the classification of milk which, if approved by the Secretary, become effective on the first day of the month following such approval.

#### Type of Pool:

Market-wide, monthly pool without base rating plan or new producer clause.

#### Interhandler Transfers:

The order sets forth the basis for determining classification for milk moved in different forms and between different types of plants.

#### Outside Purchases:

If milk, cream or skim milk is received at a plant from producers or pool plants and also from dairy farmers who are not producers and from non-pool plants, the receipts from pool plants and producers are assigned as far as possible to Class I-A, Class II or to skim milk subject to the fluid skim differential. After making this assignment, pool milk and non-pool milk is assigned pro rata to the remaining classifications.

Handlers are required to pay specified amounts per hundredweight for milk, fluid milk products, cultured or flavored milk drinks, cream, fluid cream products, and skim milk which meets with the following conditions:

(1) It was derived from milk received at a plant from dairy farms (other than the handler operating such plant) who are not producers.

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(2) It was received at a plant in or delivered to a purchaser in the marketing area, or it was received at a pool plant outside the marketing area and assigned either to shipments to the marketing area in any of the forms specified above or to plant loss.

If the milk or the milk equivalent of the butterfat or the skim milk is subject to another Federal order, the payments shall be any amount by which the class price under this order exceeds the class price under the other order. The payment on skim milk is at the fluid skim differential.

If the milk is not subject to another Federal order and if the milk is disposed of in the form of Class I products, the rate of payment is the difference between the Class I-A and the Class III price in the 201-10 mile zone. If the milk is disposed of in the form of Class II products, the rate of payment is the difference between the Class II price and the Class III price.

If the source of the milk or milk products is not revealed and if such milk or milk products are disposed of as Class I products, the payment is at the Class I-A price in the 201-10 mile zone. If the products are disposed of in the form of Class II products, the milk equivalent of the butterfat is priced at the Class II butterfat component and skim milk is priced at the Class II skim milk component divided by .9125 and an amount equal to the fluid skim differential is added.

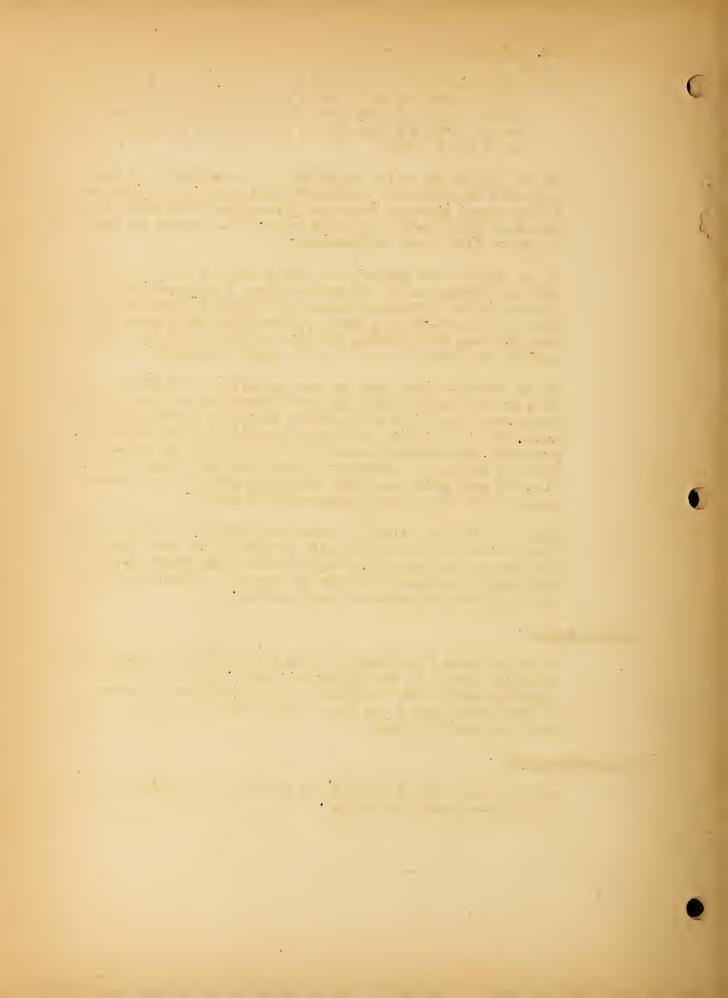
Milk received from farms in Nassau and Suffolk Counties (which farms are not approved for sale of milk in New York City) is not included in the computation of pool obligations of handlers. Such milk is assigned pro rata to the total classification of all milk from producers and pool plants.

#### Outside Sales:

Sales of Class I products to areas regulated by another Federal order are priced at the Class I-A price. Sales of Class I products outside the marketing area and outside of another Federal order market are priced at 20 cents per hundredweight over the uniform price.

## Producer-handler:

Milk produced on a handler's own farm is not subject to pricing and pooling under the order.



#### Expense of Administration:

Handlers pay administrative costs not to exceed 2 cents per hundredweight on milk received from producers.

## Special Producer Provisions:

The order does not require that authorized deductions be turned over to cooperative associations.

No provision is made for a marketing service charge to be deducted for non-members.

Provision is made for payment by handlers into the producersettlement fund and for later disposition of payments due producers who cannot be located and of payments concerning which dispute arises as to whether such payments are due producers,

Qualified cooperatives receive payments at the following rates:

- (1) .75 cent per hundredweight for milk of member producers caused by a bargaining cooperative to be delivered to a handler's plant.
- (2) 2 cents per hundredweight for milk of member producers caused to be delivered to a plant of another handler by a cooperative association which reports and collects for such milk.
- (3) 4 cents per hundredweight for milk received from producers at plants operated by a cooperative. If such a cooperative has been determined by the Secretary to have sufficient plant capacity to receive all the milk of member producers and to be willing and able to receive milk from non-members, it may be paid 4 cents per hundredweight for milk received from producers which it causes to be delivered to another handler.

## Special Handler Provisions:

## Storage cream -

(1) On storage cream which is disposed of as sour cream or reconstituted cream in the marketing area or which is not established to have been otherwise utilized, the handler is required to pay into the producer-settlement fund

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9 cents per pound of butterfat if the milk was separated in the months of March through July and 10 cents per pound of butterfat if it was separated in the months of August through February. If the cream was separated in the months of April through July 1949, the payment is no greater than an amount equal to 10 times the butterfat differential for the month when the butterfat was used in sour cream or reconstituted cream minus 4 cents, and minus 10 times the butterfat differential for Class III for the month during which the cream was separated.

- (2) Payments are made to handlers out of the producer-settlement fund on frozen cream as follows:
  - (a) For cream separated during April through September and assigned to butter in the months of January through March, an amount per pound equal to the butter-cheese adjustment.
  - (b) On cream separated in the months of April through
    July 1949 and assigned after July 1949 to products
    other than sour cream or reconstituted cream in the
    marketing area or to a product other than butter in
    the months of January through March, any amount by
    which the butterfat value used in computing the Class III
    price for the month in which the butterfat was assigned
    is lower than the butterfat value used in computing
    the Class III price for the month in which the milk was
    separated. The amount per pound of butterfat, however,
    shall be no greater than the butter-cheese adjustment.

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## Lowell-Lawrence, Massachusetts

#### Marketing Area:

The following cities and towns in Massachusetts:

Andover
Billerica
Chelmsford
Dracut
Lawrence
Lowell

Methuen North Andover Tewksbury Tyngsboro Westford

#### Handler:

Person who handles milk at a plant from which fluid milk products (i.e., milk, flavored milk, cream, skim milk, flavored skim milk, cultured skim milk and buttermilk) are disposed of directly or indirectly in the marketing area.

#### Producer:

Person who produces milk which is delivered to a plant (except a plant subject to the New York or Boston orders or located outside of New England and New York State) from which fluid milk products (classified as Class I) are disposed of directly or indirectly in the marketing area. The term includes a farmer who ordinarily delivers milk to a producer milk plant but whose milk is temporarily diverted to another plant if reported as delivering to the producer milk plant. The term does not apply to producers under the Boston order with respect to milk which is temporarily diverted from a Boston regulated plant.

# Classification:

Class I - Products not specified as Class II and unaccounted-for milk.

Class II - Products other than milk, flavored milk, flavored skim milk, buttermilk or cultured skim milk for human consumption; and plant shrinkage not in excess of 2 per cent of the volume handled.



## Class Prices (3.7 per cent butterfat, city plants):

## Class I - Compute a "formula index" as follows:

- (a) Determine latest Bureau of Labor Statistics monthly wholesale price index (1926 equals 100), and divide by 0.98.
- (b) Compute the sum of the three latest monthly indexes of department store sales in the Boston Federal Reserve District, adjusted for seasonal variations (1935-1939 equals 100); divide such sum by 3.78.
- (c) Compute the sum of:
  - (1) Simple average of the four latest weekly average retail prices per ton of dairy ration in the Boston milkshed as reported by the United States Department of Agriculture; divide such average by 0.5044 and multiply by 0.6, plus
  - (2) The weighted average monthly composite farm wage rates for latest available month for Maine, Massachusetts, New Hampshire, and Vermont as reported by the United States Department of Agriculture; divide by 0.5952 and multiply by 0.4. To compute weighted average, the respective States are weighted as follows: Maine 10, Massachusetts 6, New Hampshire 7, Vermont 77.

Compute the sum of (a), (b), and (c), divide the sum so computed by 3 and round fractions to nearest whole number (this is the "formula index").

Class I price is determined by applying "formula index" to the following table:

CLASS I PRICE SCHEDULE

|               | Class I pri                           | Class I price per hundredweight |        |  |
|---------------|---------------------------------------|---------------------------------|--------|--|
|               | Jan, -Feb                             | Apr                             | Oct    |  |
| To 7 7 7      | MarJuly-                              | May-                            | Nov    |  |
| Formula Index | AugSept.                              | June                            | Dec.   |  |
|               | * * * * * * * * * * * * * * * * * * * | 3                               | · e    |  |
| 50- 56        | \$2.21                                | \$1.77                          | \$2.65 |  |
| 57- 63        | 2.43                                  | 1.99                            | 2.87   |  |
| 64- 70        | 2.65                                  | 2.21                            | 3.09   |  |
| 71- 77        | 2.87                                  | 2.43                            | 3.31   |  |
| 7884          | 3.09                                  | 2.65                            | 3.53   |  |
| 85- 90        | 3.31                                  | 2.87                            | 3.75   |  |
| 91- 97        | 3.53                                  | 3.09                            | 3.97   |  |
| 98-104        | 3.75                                  | 3.31                            | 4.19   |  |
| 105-111       | 3.97                                  | 3.53                            | 4.41   |  |
| 112-118       | 4.19                                  | 3.75                            | 4.63   |  |
| 119-125       | 4.41                                  | 3.97                            | 4.85   |  |
| 126-182       | 4.63                                  | 4.19                            | 5.07   |  |
| 133-139       | 4.85                                  | 4.41                            | 5.29   |  |
| 140-146       | 5.07                                  | 4.63                            | 5.51   |  |
| 147-152       | 5.29                                  | 4.85                            | 5.73   |  |
| 153-159       | 5.51                                  | 5.07                            | 5.95   |  |
| 160-166,      | 5.73                                  | 5.29                            | 6.17   |  |
| 167-173       | 5.95                                  | 5, 51                           | 6.39   |  |
| 174-180       | 6.17                                  | 5.73                            | 6.61   |  |
| 181-187       | 6.39                                  | 5.95                            | 6.83   |  |
| 188107        | 6,61                                  | 6.17                            |        |  |
| 188-194       | 0.01                                  | 0.17                            | 7.05   |  |

(For "Formula index" values of more than 194, the price increases at the rate for the highest six brackets.)

The prices determined above are subject to the following provisions:

(a) For any month after December 1948, if the percentage of Class II milk in the Boston pool during the 12 month period ending with the second preceding month, is less than 33 per cent, the price shall be 44 cents more than the price otherwise applicable, and if the percentage of Class II milk during such period is more than 41 per cent, the price shall be 44 cents less than would otherwise be applicable. This provision, however, may not result in a price which is more than 88 cents higher or 88 cents lower than the price for the same month in the preceding year.

- (b) The price for any of the months of March through June shall not be higher, and the price for any of the months of September through December shall not be lower, than the price for the preceding month.
- (c) Prices are adjusted for changes in rail tariffs for carlots, tank cars, at the 201-210 mile zone.

Class II - Boston 40 per cent cream price per 40-quart can, divided by 33.48 (use Chicago 92-score butter times 1.4 if no cream price is available), times 3.7, plus the following amount:

Compute the average price per pound roller process, nonfat dry milk solids, human consumption in barrels, in carlots, at New York City, subtract 1/2 cent and multiply the remainder by 7.5.

From the above sum subtract the following amounts:

| <u>Month</u>  | Amount (Cents)                       |
|---|--------------------------------------|
| January and February  March and April  May and June  July  August and September | 57.5<br>69.5<br>75.5<br>69.5<br>63.5 |
| October, November, and December   | 57.5                                 |

#### Butterfat Differentials:

<u>Class Prices</u> - No specific butterfat differential; in effect the producer differential applies.

Producer Price - Boston 40 per cent cream price per 40 quart can for the period from the 16th day of the preceding month to the 15th day of the current month divided by 33,48 (use Chicago 92-score butter for the same period times 1.4 if no cream price is available), subtract 1.5 cents and divide the result by 10.

#### Location Differentials:

Class I - 17 cents is deducted from the Class I price (f.o.b. city) for milk delivered to a handler's receiving plant within 40 miles of Lowell and Lawrence. Beyond 40 miles, an amount is deducted equal to 13 cents plus the lowest carlot freight rate for 40-quart cans from the railroad shipping point for the handler's plant to the city.

Class II - The following deductions are made for milk delivered to a handler's receiving plant beyond 20 miles:

| Freight Zone(Miles) | Amount (cents per cwt.) |
|---------------------|-------------------------|
| 21- 50              | 2.0                     |
| 51-100              | 3.0                     |
| 101-150             | 4.5                     |
| 151-200             | 6.0                     |
| 201-250             | 7.0                     |
| 251-300             | 8.0                     |
| 301-350             | 9.0                     |
| 351 and over        | 9.5                     |

Producer Price - Same as Class I.

## Method of Accounting for Milk:

Weight of milk, cream or skim milk utilized in the products of each class. For purposes of assigning transportation differentials, the handler's Class I milk is considered as that which was received from producers at the city plant and then that which is shipped as fluid milk products other than cream from other plants in the order of nearness of such plants to the city.

#### Type of Pool:

Individual handler, monthly pool, without base rating plan or new producer clause.

## Interhandler Transfers:

Fluid milk products other than cream are classified as reported by the seller or, if the seller submits no report, as reported by the buyer. Amount classified as Class II must not exceed buyer's total milk or skim milk utilized as Class II. Cream is classified as Class II.

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#### Outside Purchases:

Fluid milk products received from plants subject to the Boston or New York orders are assigned to Class I to the extent that such purchases are classified as Class I under the Boston order or as Class I-A, I-B, or I-C under the New York order. Fluid milk products received from plants located outside of New England and New York State are assigned to Class I if received as milk and to Class II if received as other than milk. Receipts of cream and of milk products other than fluid milk products are classified as Class II.

### Outside Sales:

Fluid milk products except cream moved to an unregulated plant except a plant under the Boston order are classified as Class I. Transfers to plants subject to the Boston order are treated in the same manner as interhandler transfers. Milk sold outside the marketing area is priced the same as milk sold in the marketing area.

#### Producer-handler:

A handler who is also a dairy farmer and receives no milk from other dairy farmers except producer-handlers is exempt from the regulatory provisions. Reports may be required by the market administrator.

### Expense of Administration:

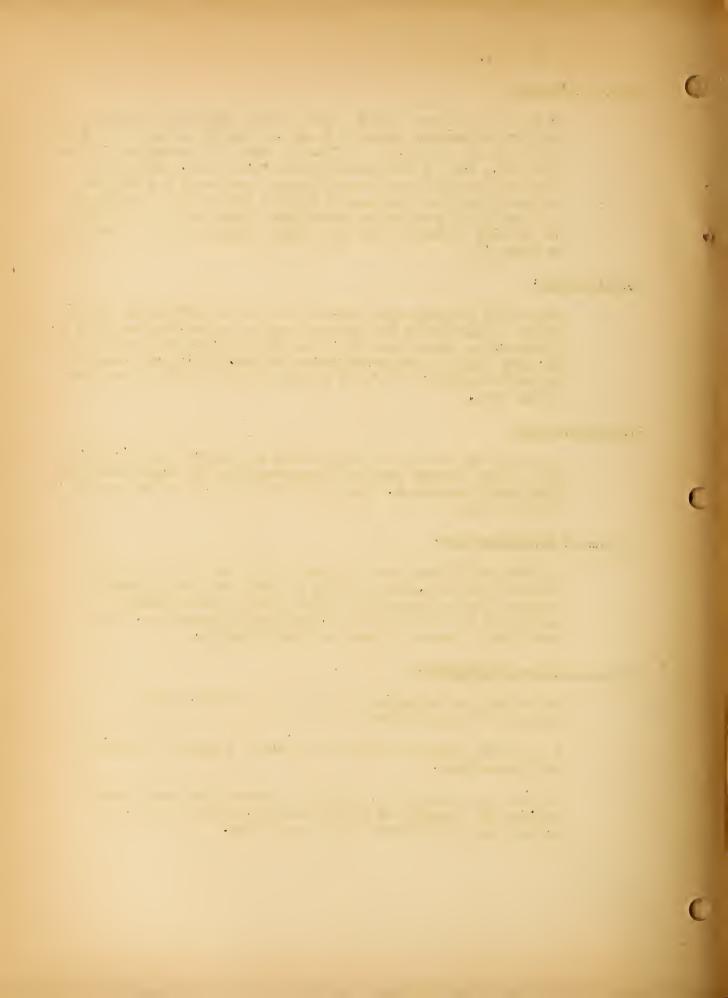
On receipts of milk from producers including receipts from handler's own farm, and on Class II other than cream which is received from an unregulated plant except plants subject to the Boston or New York orders, handlers pay administrative costs not to exceed 4 cents per hundredweight.

#### Special Producer Provisions:

Deductions, as authorized by members, are turned over to cooperative associations.

A marketing service charge not to exceed 3 cents is deducted for non-members.

Handlers are required to furnish producers with statements showing the quantity of milk delivered, payment rates, and the details and amounts of any deductions.



- (1) Average of prices paid for 3.5 per cent milk at 18 specified plants (see list used for basic formula price in Chicago order), plus amount computed as follows: Price per pound of Chicago 92-score butter, minus 3 cents, times 1.2, times 0.5.
- (2) Price per pound of Chicago 92-score butter, times 6, plus 2.4 times the average price per pound of Twins (or Cheddars), divided by 7, times 1.3, times 4.
- (3) Price per pound of Chicago 92-score butter, minus 3 cents, times 1.2, times 4, plus an amount computed as fellows: Price per pound of nonfat dry milk solids (carlots, human consumption, spray and roller process, f.o.b. manufacturing plants in Chicago area), minus 4 cents, times 8.5, times .96.

Class I - The prices per hundredweight of butterfat and skim milk in Class I are computed as follows (f.o.b. 61-70 mile zone):

- (1) Basic formula price plus \$1.25 (March through September), basic formula price plus \$1.50 (October through February), provided that from April 1 through August 31, 1949, the price for Class I milk shall be \$5.56 per hundredweight.
- (2) The price of butterfat is the sum obtained in (1), multiplied by 17.5.
- (3) The price of skim milk is the sum obtained in (1), minus .04 times the price of butterfat pursuant to (2), divided by .96.

<u>Class II</u> - The prices per hundredweight of butterfat and skim milk in Class II are computed as follows:

For Skim Milk - Carlot, spray and roller process, nonfat dry milk solids (excluding that designated as animal feed) f.o.b. manufacturing plants, Chicago area, multiplied by 8.5.

For Butterfat - Chicago 92-score butter minus 3 cents, times 120.

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### Fall River, Massachusetts

### Marketing Area:

Massachusetts - Fall River and Somerset.

Rhode Island - Tiverton.

#### Handler:

Person who receives milk from producers, part of which is disposed of in the marketing area for consumption as milk or cream.

### Producer:

Person who produces milk which is delivered to a plant from which Class I milk is shipped to, or sold in, the marketing area unless:

- (1) Minimum prices are required to be paid to him under provisions of any other Federal order;
- (2) Milk delivered by him is part of the handler's normal supply for another market; and
  - (i) Is classified in Class II or is disposed of outside the marketing area and is classified as Class I, or
  - (ii) Is moved to a plant from which the quantity of Class I milk sold or distributed in the marketing area during the delivery period is no greater than the quantity of Class I milk received during the delivery period at such plant from Fall River handlers plus the quantity of bulk milk received from a Federal order plant during the delivery period; or
- (3) His milk is delivered to a plant located outside Maine, New Hampshire, Vermont, Connecticut, Massachusetts, Rhode Island, and New York.

# Classification:

Class I - Milk containing 1/2 of 1 per cent or more but less than 16 per cent butterfat, chocolate or flavored whole or skin milk, buttermilk, cultured skim milk, and unaccounted-for milk.

Class II - Milk products other than Class I, and shrinkage not in excess of 2 per cent of producer receipts (including handler's own production but not including receipts from other handlers on milk received completely processed and packaged from a Federal order plant).

# Class Prices (3.7 per cent butterfat, f.o.b. 201-210 mile zone):

### Class I - Compute a "formula index" as follows:

- (a) Determine latest Bureau of Labor Statistics monthly wholesale price index (1926 equals 100), and divide by 0.98.
- (b) Compute the sum of the three latest monthly indexes of department store sales in the Boston Federal Reserve District, adjusted for seasonal variations (1935-1939 equals 100); divide such sum by 3.78.
- (c) Compute the sum of:
  - (1) Simple average of the four latest weekly average retail prices per ton of dairy ration in the Boston milkshed as reported by the United States Department of Agriculture; divide such average by 0.5044 and multiply by 0.6, plus
  - (2) The weighted average monthly composite farm wage rates for latest available month for Maine, Massachusetts, New Hampshire, and Vermont as reported by the United States Department of Agriculture; divide by 0.5952 and multiply by 0.4. To compute weighted average, the respective States are weighted as follows: Maine 10, Massachusetts 6, New Hampshire 7, Vermont 77.

Compute the sum of (a), (b), and (c); divide the sum so computed by 3 and round fractions to nearest whole number (this is the "formula index").

Class I price is determined by applying "formula index" to the following table:

Total de la companya 

(b) The price for any of the months of March through June shall not be higher, and the price for any of the months of September through December shall not be lower, than the price for the preceding month.

Class II - Boston 40 per cent cream price per 40 quart can divided by 33.48. Multiply the result by 3.7 and add the following amount: Compute the average price per pound of roller process, nonfat dry milk solids, human consumption, in barrels, in carlots, at New York City, subtract 1/2 cent and multiply the remainder by 7.5.

From the above sum subtract the following amounts:

| <u>Month</u>         | Amount                                       |
|----------------------|--|
| January and February | 57.5<br>69.5<br>75.5<br>69.5<br>63.5<br>57.5 |

### Butterfat Differentials:

Class Prices - Price per 40 quart can of Boston 40 per cent cream, divided by 33.48, minus 1.5 cents, divided by 10.

Producer Price - Same.

### Location Differentials:

Class I - For milk delivered to a handler's plant beyond 100 miles, a deduction is made equal to 13 cents per hundred-weight plus the lowest carlot freight rate for 40 quart cans.

Class II - For milk delivered to a handler's plant beyond 100 miles, the following differentials are subtracted:

| Zone                             | Differential |
|----------------------------------|--------------|
| (Railroad miles from Fall River) | (¢ per cwt.) |
|                                  |              |
| 0-100                            | none         |
| 101-150                          | 2.5          |
| 151-200                          | 3,5          |
| 201-250                          | 5.0          |
| 251-300                          | 6.5          |
| 301-350                          | 7.5          |
| 351-400                          | 8.5          |
| 401 and over                     | 9.0          |
|                                  |              |

Freducer Price - Same as allowance to handlers for Class I milk.

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### Method of Accounting for Milk:

Weight of milk or its component utilized in the products of each class.

#### Type of Pool:

Individual handler, monthly pool, without base rating plan or new producer clause.

#### Interhandler Transfers:

Milk moved from the plant of a handler to the plant of another handler is Class I, unless the receiving handler reports its utilization in Class II.

### Outside Purchases:

Other source milk (i.e., milk and milk products which is not producer milk, milk delivered by dairy farmers for other markets, or milk and milk drinks from a Federal order plant) is deducted from Class II and if there is not sufficient Class II, then from Class I. Milk and milk products received in packaged form from a Federal order plant are classified according to actual use. Milk and milk drinks received from another Federal order plant are classified in Class I except that during the months July - March such milk must be classified in Class II if it results in producer milk being more than 5% of Class II.

#### Outside Sales:

Milk or skim milk disposed of to a handler or plant subject to another Federal order is classified as reported, but Class II must not exceed total Class II milk of the buyer.

Milk or skim milk sold to nonhandlers, except nonhandlers subject to another Federal order, is Class I to the extent of the receiver's Class I utilization.

Where a handler maintains separate lists of producers who supply him with milk for sale outside the marketing area, he may pay such prices as he has previously reported to the market administrator. Otherwise outside sales are priced the same as area sales.

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#### Producer-handlers:

A handler who is also a producer and who, on the average, disposes of not more than 1,000 pounds of milk and milk drinks daily except in bulk to other handlers is exempt from the regulatory provisions. Reports may be required from such a handler by the market administrator.

### Expense of Administration:

Handlers pay administrative costs not to exceed 5 cents per hundredweight. On milk and milk drinks assessed under another Federal order, handlers pay administrative costs not to exceed 3 cents per hundredweight.

### Special Producer Provisions:

Deductions, as authorized by members, are turned over to cooperative associations.

A marketing service charge not to exceed 4 cents is deducted for non-members.

## Special Handler Provisions:

Handlers may deduct .75 cents per hundredweight for rental on cans supplied to producers.

At the request of handlers of more than 50 per cent of the milk produced for sale in the marketing area, a "Marketing Committee" may be established.

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- (3) Disposed of as bulk skim milk to manufacturers of candy, soup, or bakery products who do not dispose of milk in fluid form; and
- (4) Plant shrinkage not over 2 per cent of producer milk and actual plant shrinkage of other source milk.

# Class Prices (3.5 per cent butterfat):

A basic formula price is used for Class I, Class II, and Class III prices. The basic formula is the highest of:

- (1) Average of prices paid for 3.5 per cent milk at 18 specified plants (see list used for basic formula price in Chicago order).
- (2) 92-score butter at Chicago, multiplied by 6,
  PLUS
  2.4 times the average price per pound of "Twins" (or
  "Cheddars"), divided by 7, times 1.3, times 3.5.
- (3) Price per pound of Chicago 92-score butter, minus 3 cents, times 1.2, times 3.5, plus an amount computed as follows: Price per pound of nonfat dry milk solids (spray and roller process, human consumption, carlots, f.o.b. Chicago area plants), minus 5.5 cents, times 8.5, times .965.

<u>Class I</u> - Basic formula price plus the following amounts for the delivery period indicated:

| Delivery period                | Huntington District plants | Other plants |
|--------------------------------|----------------------------|--------------|
| May and June                   | \$1.10                     | \$0.90       |
| March, April, July, and August | 1.20                       | 1,00         |
| September through February     | 1.35                       | 1.15         |

(For the months of December 1948 and January 1949, the price at Huntington District plants shall not be less than \$5.00 per hundredweight and at other plants not less than \$4.80 per hundredweight; for the month of February 1949 not less than \$4.78 per hundredweight at Huntington District plants and not less than \$4.58 at other plants.)

Huntington District is portion of marketing area within cities of Ashland, Kentucky; Huntington, West Virginia; and Ironton and Gallipolis, Ohio,

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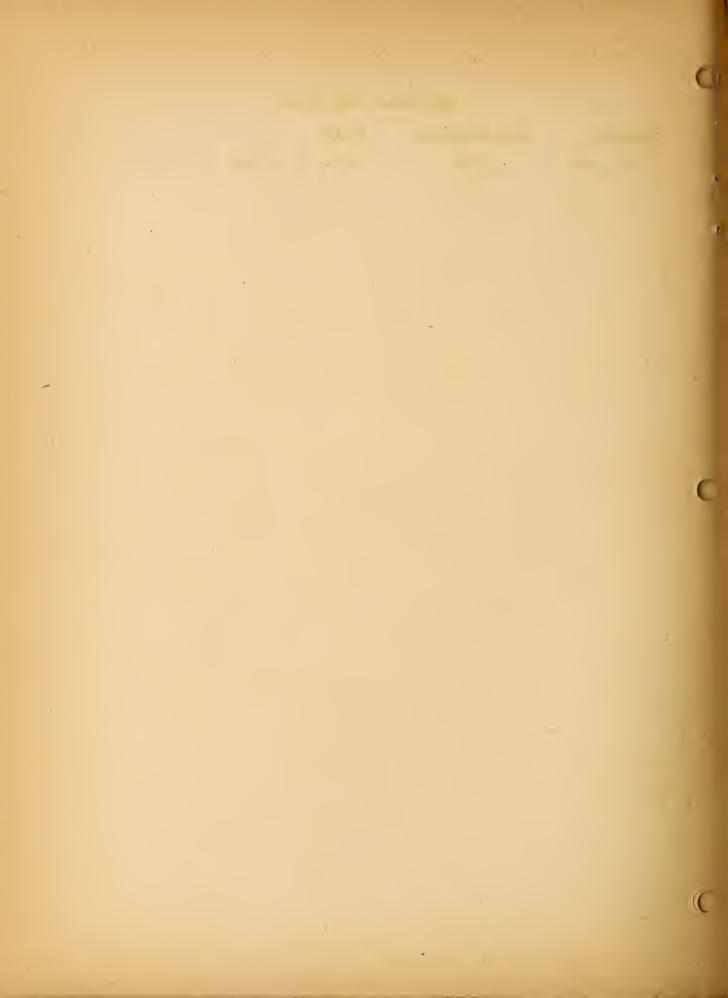
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NEW YORK - CRDER NO. 27

Action

<u>Citation</u> <u>Date Published</u>

14 FR 1466 4/1/49 Order, as amended



# TOLEDO - ORDER NO. 30

| Citation   | Date Published | Action            |
|------------|----------------|-------------------|
| 12 FR 2067 | 3/29/47        | Order, as amended |
| 12 FR 6945 | 10/25/47       | Amendment No. 3   |
| 13 FR 2327 | 4/30/48        | Amendment No. 4   |
| 13 FR 4275 | 7/27/48        | Amendment No. 5   |
| 13 FR 7293 | 11/30/48       | Amendment No. 6   |

# FORT WAYNE - CRDER NO. 32

| 12 FR | 1538 | 3/7/47            | Order, as | amended |
|-------|------|-------------------|-----------|---------|
| 13 FR |      | 3/7/47<br>4/29/48 | Amendment | No. 1   |
| 13 FR |      | 6/12/48           | Amendment | No. 2   |

# LOWELL-LAWRENCE - ORDER NO. 34

14 FR 1478

4/1/49

Order, as amended

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# OMAHA - ORDER NO. 35

| Citation                 | Date Published      | <u>action</u>                     |
|--------------------------|---------------------|-----------------------------------|
| 12 FR 2073<br>13 FR 9487 | 3/29/47<br>12/31/48 | Order, as amended Amendment No. 1 |

# CHICAGO - ORDER NO. 41

| 11 FR | 9606 | 8/31/46 | Order, as amended                   |
|-------|------|---------|-------------------------------------|
| 12 FR | 3073 | 5/10/47 | Order suspending certain provisions |
| 12 FR | 5834 | 8/30/47 | Amendment No. 3                     |
| 12 FR | 7248 | 11/5/47 | Amendment No. 4                     |
| 13 FR | 5905 | 10/9/48 | Order suspending certain provisions |

# NEW ORLEANS - ORDER NO. 42

| 13 FR | 1079 | 2/28/48 | Order, as amended |
|-------|------|---------|-------------------|
| 14 FR | 1483 | 4/1/49  | Amendment         |

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# QUAD CITIES - ORDER NO. 44

| Citation | 1                            | Date Published   | Action  |
|----------|------------------------------|--|---|
| _        | 5527<br>3277<br>5036<br>3805 | 3/28/44<br>6/14/46<br>8/1/46<br>7/30/47<br>12/27/47<br>4/28/48 | Order, as amended Order suspending certain provisions " " " Amendment No. 1 Amendment No. 2 Amendment No. 3 |

# LOUISVILLE - CRDER NO. 46

| 12 FR | 6567 | 10/4/47            | Order, as | amended |
|-------|------|--------------------|-----------|---------|
| 13 FR | 5112 | 9/2/48<br>11/30/48 | Amendment |         |
| 13 FR | 7294 | 11/30/48           | Amendment | No. 2   |

# FALL RIVER - ORDER NO. 47

| 12 FR | 4986 | 7/1/47   | Order  | , as ame | nded       |               |
|-------|------|----------|--------|----------|------------|---------------|
| 12 FR | 5037 | 7/30/47  | Order  | suspend: | ing certa: | in provisions |
| 12 FR | 6427 | 9/30/47  | 11     | _ 11     | n          | 11            |
| 12 FR | 8671 | 12/20/47 | n      | 11       | 11         | 11            |
| 13 FR | 1644 | 3/30/48  | Amenda | ment No. | 8          |               |
| 14 FR | 1484 | 4/1/49   | Amenda | ment No. | 9          |               |

# SIOUX CITY - CRDER NO. 48

| 12 FR | 2079 | 3/29/47             | Order,  | as | amer | nded |
|-------|------|---------------------|---------|----|------|------|
| 13 FR | 9490 | 3/29/47<br>12/31/48 | Amendme | nt | No.  | 1    |

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# SOUTH BEND-LaPORTE - ORDER NO. 67

| Citat   | <u>ion</u>   | Date Published   | Action  |
|---|--|--|---|
|   | 8016<br>5905   | 12/2/47<br>10/9/48   | Order Order suspending certain provisions   |
|   |  | WICHITA -  | ORDER NO. 68  |
| 12 FR<br>13 FR  | 7105<br>7703   | 11/1/47<br>12/14/48  | Order, as amended<br>Amendment No. 3  |
|   |  | SUBURBAN CHICA   | GO - CRDER NO. 69   |
| 11 FR<br>12 FR<br>13 FR   | 6428   | 10/1/46<br>9/30/47<br>10/9/48  | Order, as amended<br>Amendment No. 1<br>Suspension  |
|   | ^  | CLINTON -  | ORDER NO. 70  |
| 11 FR   | 2915<br>6527<br>8279<br>5037   | 3/20/46<br>6/14/46<br>8/1/46<br>7/30/47  | Order, as amended Order suspending certain provisions " " " " Amendment No. 1   |
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|   |  | DAYTON-SPRINGFII   | ELD - ORDER NO. 71  |
| 10 FR<br>11 FR<br>11 FR<br>12 FR<br>12 FR<br>13 FR<br>13 FR<br>13 FR<br>13 FR | 6162<br>6901<br>9423<br>5995<br>6430<br>1661<br>2329<br>2330<br>7800 | 5/29/45<br>6/21/46<br>8/28/46<br>9/10/47<br>9/30/47<br>3/31/48<br>4/30/48<br>4/30/48 | Order Amendment No. 1 Amendment No. 2 Amendment No. 3 Order suspending certain provisions " " " " Amendment No. 4 Order suspending certain provisions Amendment No. 5 |

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